



Hub realisation

Activate logistics hubs strengthening the agro food industry

Definition of a hub

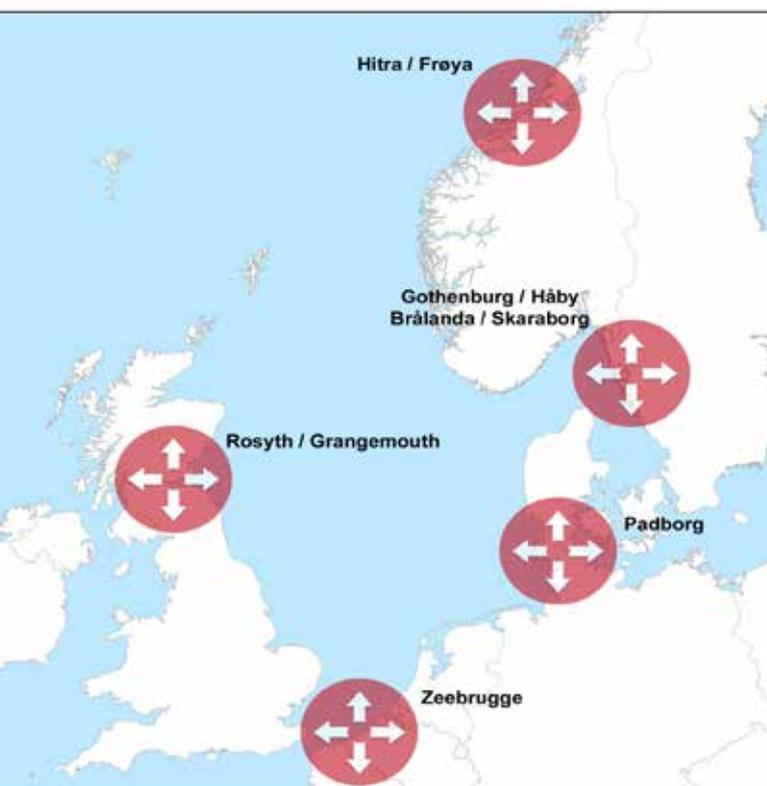
In the Food Port Project a clear distinction is made between clusters and hubs. Connections between both clusters and/or hubs are provided through corridors. These three main components (clusters, hubs and corridors) form the Food Port system.

Within the project, we have defined a hub as a central location to which freight flows from many regions are directed and from which freight flows are fed to other areas. A hub is the central node in a so-called hub-and-spoke system.

Connectivity, preferably multimodal, is certainly a key feature of a hub. Infrastructure and logistics capacity are critical success factors. In contrast to the definition of a cluster, the point of view here is mainly from the logistics supply side. Co-modality and 'synchro-modality' are terms used to express the connectivity through different transport modes.

This hub function can be incorporated in a gateway (e.g. seaport) or can be part of a so-called Extended Gateway in the hinterland.

Map



General objectives

In this activity, we define actions focusing on logistics hubs: how can logistics hubs support and strengthen the agro-food industry?

It is crucial for every activity or business to be connected both to suppliers and customers. A hub enables this connectivity on a cluster level. The food cluster needs a hub to be connected with various sourcing and consumption areas. Nowadays, hubs are mainly focused on rather basic logistics handlings, e.g. transshipment. The goal is to activate hubs with appropriate functionalities both in transshipment and in value adding logistics and services (VAL & VAS) in order to strengthen and to anchor the agro-food cluster.

Hub 1

Region Västra Götaland (Håby - Brålanda - Skaraborg)



Description

The development of three hubs has been supported by Region Västra Götaland:

- **Håby Logistic Centre:** the developments are driven by a 3rd party logistics actor, but municipalities and producers support the development of the centre.
- **Brålanda Logistic Centre:** here it concerns existing facilities where the operators identified the food logistic centres possibilities thanks to Food Port.
- **Skaraborg:** received a high priority as a model for development due to large interest from existing operators and municipalities to introduce a FOOD LOGISTIC CENTRES-cooperation.

Hub targets

Region Västra Götaland has no explicit policy for developing hubs, i.e. there is no top down policy. Knowledge and innovation today has its base in the hubs existing markets, i.e. at the producers and retailers. We believe that further work on new markets e.g. traceability issues and other services could be new profitable areas for a hub. The knowledge of these potentially new markets for a hub is low today. A key question is "How can we help SMEs and at the same time secure the profit for the hub?"

Hub 2

Hitra/Frøya - "The Salmon Region"



Description

The main objective is to establish the Hitra Coastal Port as a Food Port, a specialised port terminal and logistics centre for sea food and a dedicated export hub in the Mid Norway region. The port's direct connection to Hitra Industrial Park gives a very good opportunity to build up supporting activities and clusters connected to the aqua culture and fish farming industry in general. Hitra Coastal Port will also be open for handling other commodities including coastal/short sea traffic as well.



Hub targets

The establishment of a direct sustainable sea transport connection for fresh fish from Hitra to the continental markets is a high priority project within Kristiansund & Nørmøre Harbour and Hitra municipality. The new Hitra Coastal Port will open in 2014 and should manage to position itself as the main seafood export hub in Mid Norway, an International Seafood Logistics Centre (HISLOC) and a main port in a proposed collaboration between coastal ports in Mid Norway, The Mid Norway Coastal Port Alliance.

Hub 3

Port of Zeebrugge



Description

The Port of Zeebrugge accommodates various companies that are active in the storage and handling of a wide range of food cargoes. The coastal port offers a qualitative unpolluted environment, which constitutes a major competitive advantage for attracting food business. The port is located in the world's most densely populated area. 60 % of the European purchasing power lies within a radius of 500 km. Cargoes easily reach the hinterland thanks to a wide range of short sea and deep sea services, excellent truck, rail and barge connections.

Hub targets

Main targets for the Port of Zeebrugge are:

- Responding to market demands;
- Facilitating the set-up of clusters;
- Avoiding branding without content;
- Maintain a rigid strategy on a clean port as a food port (non polluting activities);
- Pragmatic approach of regulations (as a policy recommendation);
- General actions for maritime services and high quality levels.

Hub4

Port of Gothenburg



Description

The Port of Gothenburg is the largest port in Scandinavia. The port can offer a very wide range of routes, with traffic to over 140 destinations throughout the world. Around 25 rail shuttles depart each day, offering companies throughout Sweden and Norway a direct, environmentally friendly link to the port. The Port of Gothenburg reinforces the competitiveness of the industry by being a strong freight hub with a wide range of routes to key import and export markets. The large number of direct routes contributes to safe, cost-effective and rapid transport.

Hub targets

The Port of Gothenburg is today no major food logistics hub, but the aim is to develop this segment further. This should be possible by closer cooperation with the market players, i.e. the importers and exporters of food products. If more food cargo should be transported via the port, additional focus and new investments are needed, not only from the port authority, but also from other players. The port must be considered as a cost efficient and trusted partner.

Hub5

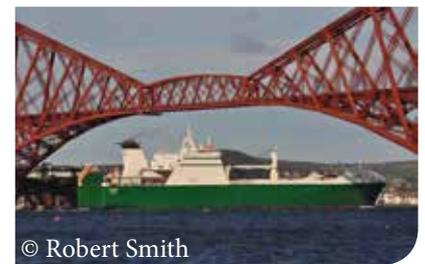
Scotland (Rosyth - Grangemouth)



Description

Currently, a food logistics focussed hub does not physically exist in Scotland. However, the ports of Grangemouth and Rosyth are often used as the major gateway for food and drink exports, and could potentially be developed into a food logistics hub to strengthen the competitiveness of the Scottish food and drink industry.

The Forth Food Logistics Hub could be developed as a platform from which more food and drink products are brought for storage, distribution, and potentially value-added processing. In addition, the hub could also function as a consolidated destination where the imported food products or related products could be further distributed around Scotland.



Hub targets

The Forth Food Logistics Hub is intended to support local producers, facilitate vertical chain integration and horizontal collaboration, encourage creative and value-added activities, and in consequence benefit all the food logistics activities in Scotland.

The vision for the Forth Food Logistics Hub is expected to be an integrated platform which offers an efficient warehousing system, a sustainable transport system and an integrated base to support the development of business initiatives associated with food processing, packaging, marketing and specialist activities.

Hub6

Padborg



Description

Denmark's most important gateway to the international market is HUB Padborg at the Danish-German border. Padborg is therefore a major transport hub for the transportation of food primarily by road and rail between Denmark, the other Scandinavian countries and the rest of Europe. International distribution of temperature-controlled transport of food is a specialty for HUB Padborg. Padborg's role as an international hub for fresh and frozen food should be seen in the light of its location between Jutland/Funen, where the majority of Danish food is produced, and Central and Southern Europe, which is the main market.

Hub targets

HUB Padborg represents competent transport and logistics companies, which have a close insight into transport buyers' needs and the ability to develop innovative transport and logistics solutions. It is a good starting point for the development and implementation of transport and logistics services with a high added value in relation to client needs. HUB Padborg plays a special role as the focal point for Danish food exports. This implies an important development potential, not only for growth in the region around HUB Padborg, but also in relation to support Danish food and agriculture exports in key markets.

Stakeholders

The (extended) gateway authorities and transport infrastructure providers (road, rail, water,...) should take the lead as (public) actors. However, also private companies need to be involved. Shippers (i.e. owners of freight flows) might engage volumes in order to enable logistics providers to set up (new) transport services originating from the hub.

The public sector needs to facilitate and support the establishment of new transport lanes and hub services. In the beginning, a new service might be loss-making, therefore, a public subsidy helping to cover for the difficult start-up phase might be required. However, the newly established services (transport corridors or other hub services) should have the potential to become economically viable after a certain time. Once the new service is viable, the public actors can withdraw and no further subsidies and support are needed.

Actions

The time horizon for the defined actions is 2025. The main actor who has to take the lead for the distinct actions defined is mentioned in parentheses and is called the 'action-owner'.

- 1 Set up of a logistics hub platform dedicated to the food industry. This platform integrates both transshipment and value adding logistics and services. This results in a multi-feature platform (regional authorities).
- 2 Invest in a multimodal accessibility of the hub or platform. Multimodality will guarantee the robustness and sustainability of the transshipment system (national - regional authorities).
- 3 Create a collaborative environment in which new collaboration opportunities for market players appear (regional authorities).
- 4 Develop a clear branding for the food hub. Promotion should be focused to both (internal) stakeholders, creating commitment - involvement - alignment - awareness, and external parties, like potential business developers and investors, customers and suppliers. Choose an attractive hub name (hub management).
- 5 Prioritize transport infrastructure and spatial planning initiatives within the hub focusing on agro-food and food industry (regional or national authorities).
- 6 Be open for knowledge and innovative initiatives in the field of agro-food-logistics. Play the role of active and loyal actor in knowledge creation, dissemination and valorisation in this field (regional or national authorities).
- 7 Support the activation of the labour market for the agro-food-logistics industry. Promote working in the field of agro-food-logistics. Support education and training programs for agro-food logistics and supply chain management (regional or national authorities).
- 8 Create an 'open-access' or 'public' intra-hub or intra-port transport system. Such a system needs to be the outcome of a public-private cooperation (hub organisation).

Lessons learned

Within the Food Port Project, several hubs have been involved and for each hub, an action plan for hub realisation has been written. Although every hub has its own identity and functionalities (hub specific characteristics), we have also identified generic actions, which are relevant for the different hubs/regions involved. However, the above defined actions are to be considered as building blocks: each region, hub or actor has to decide which particular set of blocks is needed in order to further strengthen or anchor its hub.



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Full hub reports are available on www.food-port.eu/downloads